

FY2003-2004 Technical Assistance Component Frequently Asked Questions

This document is intended to provide answers to frequently asked questions about the Technical Assistance Component of the CDFI Program. For more complete information about the program, see the Notice of Funds Availability (dated February 4, 2003) and the application form, both of which may be found at www.cdfifund.gov/programs/TA/index.asp. If you have further questions, contact the Fund at CDFIHELP@cdfi.treas.gov, or at (202) 622-6355 during business hours.

Q. What kind of funding is available under this program, and what kinds of activities can a Technical Assistance grant be used for?

A: The TA Component provides funding in the form of grants that may be used to: acquire consulting services; pay staff salary for certain purposes; acquire or enhance technology items; and acquire training for staff or management.

Here are some examples:

Consulting Services:

- Design marketing materials for the organization
- Design (or re-design) the organization's website
- Develop a strategic plan
- Develop a capitalization strategy
- Develop policies and procedures for a new financial product
- Develop new training or technical assistance materials

Technology:

- Purchase computers and peripherals for new staff members
- Upgrade computers
- Upgrade server
- Acquire new portfolio management software
- Upgrade general software (word processing, spreadsheets)
- Upgrade telephone/voice mail system

Training:

- Send new staff to training on loan collections
- Send staff to training on internet use or use of new software
- Provide training to new board members on CDFI operations

Staff salary:

- Develop or enhance training materials, including providing training materials in a language other than English
- Develop and conduct a survey of market needs
- Develop new loan or development service products

Q: What uses of staff salary can be funded?

A: In general, the Fund will provide a grant to cover staff salary that would otherwise be done by a consultant, or would not be done at all. These would be such "one-time" tasks that support the CDFI's capacity building, rather than its on-going operations. For example, use of a staff member to develop policies and procedures related to a new product; or use of a staff member to translate training materials into a language other than English.

For entities that have less than 24 months of operations, the Fund will consider funding somewhat broader uses of staff salary that enhance the long-term sustainability of the organization. For example, the Fund will consider providing a grant to offset the cost of a sole employee to market the new CDFI in the Target Market or provide outreach and training session in the target market. Such requests should be justified in the application

Q: Is my organization eligible to receive a TA award if it has already received awards in excess of \$250,000 under the CDFI Program?

A: Prior awardees that have received more than \$250,000 in the past may apply for TA if they will use the TA to help them serve a new market or provide new products or services, or otherwise demonstrate that the requested TA will have a significant new impact in the target market. .

For example, an applicant previously received \$500,000 in financial assistance to fund a single-family mortgage product in its Investment Area. The CDFI now believes there is a need to provide rehab loans for small multi-family buildings, but wants to do additional research in the area and ensure that its staff is trained to provide the new product. The CDFI can request TA to support those activities.

Q. What requirements must my organization meet to be eligible for TA funds if we have been previously funded?

A: Previous awardees must be certified as CDFIs (or submitted an application for certification), must not have any overdue reports due to the Fund at the time they apply, must not be in default with any prior assistance agreement, and must not have any undisbursed balances on prior CDFI Program or Native American program awards greater than \$5,000.

Q. Does the TA Component use a paper-based application or an electronic one?

A: The TA Component uses a paper application, at this time. A "fillable" version of this document is available. If at a later date an electronic application becomes available, it will be announced on the Fund's website and guidance will be provided.

Q. How much time should the application take to complete?

A: The Fund has simplified the application under the 2003 TA round through a reduction in the amount of narrative required and the inclusion of basic charts to capture numerical data. It is estimated that the amount of time needed to complete the application is 40 to 55 hours.

Q. What is the due date for submitting the application?

A. The TA component is accepting and reviewing applications on a rolling basis. This means that the Fund will accept applications any time until the close of the round, on May 31, 2004. Given the rolling nature of the process, the Fund will accept and review applications as they are submitted and in the order in which they are submitted until the funds are exhausted.

Q. How long will it take to receive the TA award from the Fund if our organization is selected for funding?

A: The Fund instituted a rolling application and award process to expedite award decision-making and disbursement. The Fund aims to review applications, make award decisions, and notify applicants within four months of the date of application, and disburse funds within two months of that notification.

Q. How much funds are available?

A: The FY 2003-2004 NOFA made at least \$10 million available under the TA Component. The Fund posts on its website the amounts requested and obligated, and the amount remaining. As of October 1, 2003, approximately \$9 million was available.

Q. Does the TA Component give priority to Hot Zone and Homeownership activities similar to what is included under the 2003 FA Component?

A: No. The TA Component is governed by a different NOFA than the FA Component and does not give preference to Hot Zone and Homeownership activities. While the Fund evaluates TA applicants on the level of distress and need in their Target Market as described in the Market Need and CDFI Strategy section of the application, and the degree to which applicants are targeting their activities to that Target Market, it does not give preferential points for specific types of financing activities or particularly distressed geographic areas known as Hot Zones.

Q. If our organization wants to apply for the FY 2004 FA Component (expected to open in early 2004), can we include a TA request in our FA application or do we need to submit two applications - one for FA and one for TA?

A: Your organization does not need to complete two applications, though you are welcome to if you so wish. FA applicants may request TA dollars as part of their FA Component application or they may submit separate applications. While you may request TA for the same uses under both applications, the Fund will only make one award for the same uses.

Q. If our organization applies for TA under the FA Component, will it reduce our potential FA award or in some other way negatively affect our chances to receive FA funding? If our organization is awarded a TA award prior to applying for the 2004 round of the FA Component, will our FA application be disqualified?

A. The Fund will not consider your TA request in its evaluation of your FA application. You should note that both requests should be consistent with your organization's plan for serving its target market. The Fund will not make more than one award for the same uses, but may make more than one award for different uses. However, the Fund encourages that all TA needs be anticipated and requested in one application.

Q. Can our organization submit more than one application for TA during the two-year window?

A. The Fund does not prohibit more than one TA application during the two-year window. If an application for TA is rejected, for incompleteness, ineligibility, or for substantive reasons, the Fund strongly encourages the organization to reconsider and substantively enhance its application before re-applying. A successful applicant is not prohibited from applying for additional funds during the window, but the Fund encourages one application requesting all of the organization's needs, rather than multiple applications.

Q. Does my organization need to be a certified CDFI to apply for TA?

A. To apply for TA, an applicant must be a certified CDFI, or complete the certification/eligibility portion of the application (Part II-B), demonstrating that it will meet the certification requirements by January 31, 2006. If your organization is not yet certified, you can request TA that will help you meet the certification criteria.